

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 01538 01 OF 04 271934Z

ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08  
NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01  
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 DODE-00 PM-04 H-01 L-03 PA-01 PRS-01  
IGA-02 SAJ-01 EURE-00 /114 W  
-----271951Z 072394 /41

P R 271912Z JAN 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9993

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USNMR SHAPE

LIMITED OFFICIAL USE SECTION 01 OF 04 LONDON 01538

E.O. 11652: N/A

TAGS: ELAB, PINT, UK

SUBJECT: BULLOCK REPORT - THE GREAT DEBATE BEGINS

REF: LONDON 20059 (76)

SUMMARY. THE BULLOCK REPORT WAS PUBLISHED YESTERDAY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01538 01 OF 04 271934Z

(JANUARY 26) AND PRESENTED TO PARLIAMENT BY THE GOVERN-  
MENT. IT CALLS FOR SWEEPING CHANGES IN COMPANY STRUC-  
TURES IN THE PRIVATE SECTOR, INCLUDING SUBSTANTIAL  
PARTICIPATION BY WORKERS ON COMPANY BOARDS. THE REPORT  
OF THE MAJORITY HAS ENGENDERED SEVERE CRITICISM FROM THE  
CONFEDERATION OF BRITISH INDUSTRY (CBI) BUT THE TUC HAS  
WELCOMED ITS FINDINGS. THE BULLOCK MINORITY HAS RAISED

VITAL RESERVATIONS ABOUT THE MAJORITY FINDINGS. THE GOVERNMENT WILL BE CONSULTING ALL PARTIES CONCERNED ABOUT THE REPORT BUT HAS BEEN CAREFUL NOT TO COMMIT ITSELF ON THE FORM OR TIMETABLE OF LEGISLATION TO IMPLEMENT IT. THE PUBLICATION OF THE REPORT HAS RAISED THE ISSUE OF WORKER PARTICIPATION IN INDUSTRY TO THE LEVEL OF A MAJOR POLITICAL DEBATE. END SUMMARY.

1. THE HIGHLY CONTROVERSIAL "BULLOCK REPORT" -- MORE FORMALLY KNOWN AS THE REPORT OF THE COMMITTEE OF INQUIRY ON INDUSTRIAL DEMOCRACY, UNDER THE CHAIRMANSHIP OF LORD BULLOCK -- WAS PUBLISHED YESTERDAY (JANUARY 26) AND PRESENTED TO PARLIAMENT BY SECRETARY OF STATE FOR TRADE EDMUND DELL. DELL WAS VERY CAREFUL NOT TO COMMIT THE GOVERNMENT TO THE BULLOCK REPORT'S FINDINGS, BUT STRESSED THAT THE GOVERNMENT WOULD BE SEEKING A CONSENSUS FROM ALL PARTIES CONCERNED. THE REPORT PROPOSES SWEEPING CHANGES IN PRIVATE SECTOR COMPANY STRUCTURES AND, IF IMPLEMENTED BY LEGISLATION, COULD BRING WORKER REPRESENTATIVES INTO THE MANAGEMENT OF BRITISH INDUSTRY ON A BROAD SCALE.

2. EVEN BEFORE THE OFFICIAL RELEASE YESTERDAY, THE REPORT'S FINDINGS HAD ENGENDERED PROFOUND DEBATE AND THE VERY BITTER OPPOSITION OF THE CONFEDERATION OF BRITISH INDUSTRY (CBI). TUC GENERAL SECRETARY LEN MURRAY, NOT SURPRISINGLY, WELCOMED THE REPORT. SIX OF THE ELEVEN COMMITTEE MEMBERS, INCLUDING THE CHAIRMAN, UNRESERVEDLY SUPPORTED THE MAJORITY'S FINDINGS; ONE RAISED SOME LIMITED OBJECTIONS IN A "NOTE OF DISSENT" BUT SIGNED WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 01538 01 OF 04 271934Z

THE MAJORITY; THREE OPPOSED ITS MOST IMPORTANT RECOMMENDATIONS; AND ONE LEFT THE COMMITTEE TO TAKE OVER THE DIRECTION OF THE CBI. ALTHOUGH THE GOVERNMENT IS BEING PRESSED BY THE TUC TO BRING IN EARLY LEGISLATION TO IMPLEMENT THE REPORT, THE GOVERNMENT, IN INTRODUCING IT, HAS NOT COMMITTED ITSELF IN THE FACE OF THE WIDESPREAD OPPOSITION WITHIN INDUSTRY TO ITS MAJOR PROPOSALS. IT DOES PLAN TO PUBLISH A WHITE PAPER, HOWEVER, LATER THIS SESSION. IN ANY EVENT, THE REPORT HAS "PUT THE FAT IN THE FIRE" AND ITS FINDINGS HAVE SPARKED A MAJOR POLITICAL DEBATE WHICH WILL CONTINUE FOR SOME TIME TO COME.

3. THE FRAME OF REFERENCE: WHEN THE BULLOCK COMMITTEE WAS LAUNCHED ON AUGUST 5, 1975, ITS WORK WAS CAREFULLY CIRCUMSCRIBED BY ITS FRAME OF REFERENCE WHICH ACCEPTED "THE NEED FOR A RADICAL EXTENSION OF INDUSTRIAL DEMOCRACY IN THE CONTROL OF COMPANIES BY MEANS OF REPRESENTATION ON BOARDS OF DIRECTORS...THE ESSENTIAL ROLE OF THE TRADE UNIONS IN THIS PROCESS...TAKING INTO ACCOUNT IN PARTICU-

LAR THE PROPOSALS OF THE TRADE UNION CONGRESS REPORT ON INDUSTRIAL DEMOCRACY." THIS WAS SIMPLY LONG-HAND WHICH MEANT THE COMMITTEE HAD TO TAKE FOR GRANTED THAT WORKERS MUST BE ALLOWED BY LAW ON THE TOP BOARDS OF BRITISH COMPANIES AND -- AS THE TUC INSISTED -- WORKERS' DIRECTORS SHOULD BE SELECTED BY THE UNIONS DIRECTLY CONCERNED AND NOT BY SOME INTERVENING OUTSIDE GROUP SUCH AS A WORKS COUNCIL, AS IN THE GERMAN MODEL.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 01538 02 OF 04 271937Z  
ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 EURE-00 SP-02 USIA-06  
AID-05 EB-08 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04  
OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 DODE-00 PM-04 H-01 L-03  
PA-01 PRS-01 IGA-02 SAJ-01 /114 W  
-----271950Z 072435 /41

P R 271912Z JAN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 9994  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION EC BRUSSELS  
USMISSION NATO BRUSSELS  
USMISSION OECD PARIS  
USMISSION GENEVA  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
USNMR SHAPE

LIMITED OFFICIAL USE SECTION 02 OF 04 LONDON 01538

4. THE COMPOSITION OF THE COMMITTEE: DESPITE THE LIMITATIONS OF THIS FRAME OF REFERENCE, THE CBI AGREED TO HAVE ITS MEMBERS JOIN THE COMMITTEE, EXPLAINING LATER TO US, AS DID ONE CBI OFFICIAL, "WE WANTED TO LIMIT THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01538 02 OF 04 271937Z

DAMAGE." THE CBI GROUP CONSISTED OF SIR JACK CALLARD, CHAIRMAN OF BRITISH HOME STORES; BARRIE HEATH, CHAIRMAN OF GUEST, KEEN AND NETTLESFOLDS, LTD.; AND N.O. BIGGS, CHAIRMAN OF WILLIAM AND GLYNS'S BANK. (JOHN METHVEN, WHO WAS THEN DIRECTOR-GENERAL OF FAIR TRADING, LATER LEFT THE COMMITTEE TO BECOME DIRECTOR GENERAL OF THE CBI.) THE TUC CONTINGENT CONSISTED OF JACK JONES, GENERAL SECRETARY OF THE TRANSPORT AND GENERAL WORKERS UNION; CLIVE JENKINS OF THE TECHNICAL AND MANAGERIAL STAFFS UNION; AND DAVID LEA, THE TUC'S CHIEF ECONOMIST AND ONE OF THE MAJOR ARCHITECTS OF THE TUC'S INDUSTRIAL DEMOCRACY PROPOSALS. THE INDEPENDENTS, IN ADDITION TO LORD BULLOCK, THE DISTINGUISHED OXFORD HISTORIAN WHO WAS CHAIRMAN OF THE COMMITTEE, INCLUDED PROFESSOR GEORGE BAIN OF THE UNIVERSITY OF WARWICK AND PROFESSOR K.W. WEDDERBURN OF THE LONDON SCHOOL OF ECONOMICS. N.S. WILSON, A SOLICITOR WITH EXPERTISE IN COMPANY LAW, ROUNDED OUT THE COMMITTEE.

5. THE MAJORITY VIEWS: THE MAJORITY (THE TUC CONTINGENT, THE ACADEMICS AND THE CHAIRMAN), IN AN ALMOST EVANGELICAL TONE, EQUATED THE EXPANSION OF INDUSTRIAL DEMOCRACY WITH THE EXTENSION OF THE RIGHT TO VOTE IN THE NINETEENTH CENTURY: "WE BELIEVE THAT OVER 100 YEARS LATER AN EXTENSION OF INDUSTRIAL DEMOCRACY CAN PRODUCE COMPARABLE BENEFITS AND THAT OUR DESCENDANTS WILL LOOK BACK WITH AS MUCH SURPRISE TO THE CONTROVERSY WHICH SURROUND IT AS WE DO TO THAT WHICH SURROUNDED THE EXTENSION OF THE POLITICAL SUFFRAGE IN THE NINETEENTH CENTURY." THE MAIN OUTLINES OF THEIR PROPOSALS ARE THAT WHEN ONE OR MORE UNIONS REPRESENTING AT LEAST 20 PERCENT OF THE WORK FORCE IN A FIRM WITH OVER 2,000 EMPLOYEES REQUESTS IT, THIS WOULD TRIGGER AN ELECTION BY SECRET BALLOT OF ALL THE EMPLOYEES, UNION AND NON-UNION. IF MORE THAN 50 PERCENT OF THESE WORKERS ACCEPT THE PRINCIPLE, A UNITARY BOARD MUST BE ESTABLISHED CONSISTING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 01538 02 OF 04 271937Z

OF AN EQUAL NUMBER OF WORKER REPRESENTATIVES AND SHARE-

HOLDER REPRESENTATIVES, WHO TOGETHER WOULD SELECT, OR "CO-OPT" A SMALLER THIRD GROUP WHICH COULD INCLUDE ACCOUNTANTS, LAWYERS, TRADE UNION LEADERS, AND OTHER OUTSIDERS (UNDER THE FORMULA REFERRED TO IN THE REPORT AS 2X PLUS Y). ALL OF THE WORKER REPRESENTATIVES WOULD BE CHOSEN BY THE UNIONS IN THE COMPANY. (THE BULLOCK MAJORITY SUGGESTS A JOINT UNION REPRESENTATION COMMITTEE BE ESTABLISHED FOR THIS PURPOSE.) AN INDUSTRIAL DEMOCRACY COMMISSION IS PROPOSED TO SUPERVISE THE SYSTEM. THE MAJORITY FURTHER STATES: "WE BELIEVE THAT THERE MUST BE A JOINT APPROACH TO DECISION-MAKING IN COMPANIES, BASED ON EQUAL REPRESENTATION OF EMPLOYEES AND SHAREHOLDERS ON THE BOARD. IN OUR VIEW IT IS NO LONGER ACCEPTABLE FOR COMPANIES TO BE RUN ON THE BASIS THAT IN THE LAST RESORT THE SHAREHOLDERS' VIEW MUST BY RIGHT ALWAYS PREVAIL." (ALTHOUGH THE MAJORITY RECOMMENDATIONS ARE LIMITED TO PRIVATE SECTOR COMPANIES, THE GOVERNMENT HAS INDICATED THAT IT WOULD INCLUDE NATIONALIZED INDUSTRIES IN ITS LEGISLATIVE PROPOSALS.) THE SOLICITOR, MR. WILSON, WHILE JOINING THE MAJORITY, EXPRESSED A NOTE OF DISSENT MAINLY ON THE COMPOSITION OF THE BOARDS.

6. THE MINORITY POSITION: THE MINORITY REPORT WAS SIGNED BY THE TWO INDUSTRIALISTS AND THE BANKER ON THE PANEL. THEY STRESSED THE IMPORTANCE OF EFFECTIVE PARTICIPATION BELOW TOP LEVEL. AS THEY PUT IT: "OUR OWN FIRST HAND EXPERIENCE OF COMPANIES WHICH OPERATE IN WEST GERMANY LEADS US TO BELIEVE THAT IT IS THE GERMAN INSISTENCE ON EFFECTIVE WORKS COUNCILS SEPARATED FROM THE UNION NEGOTIATING SYSTEM, REPRESENTING ALL EMPLOYEES AND GIVEN EXTENSIVE POWERS, WHICH IS ONE OF THE KEY FACTORS IN THE SUCCESS OF THE GERMAN SYSTEM OF EMPLOYEE PARTICIPATION. THE GERMAN VIEW, WHICH WE SHARE, IS THAT REPRESENTATION ON A TOP BOARD IN ANY COMPANY WOULD BE MEANINGLESS WITHOUT THIS UNDERPINNING..." THE MINORITY

LIMITED OFFICIAL USE

PAGE 04 LONDON 01538 02 OF 04 271937Z

GOES ON TO SUGGEST THAT MACHINERY SIMILAR TO THE GERMAN WORKS COUNCIL WOULD BE "PROOF OF THE DESIRE OF ALL PARTIES TO WORK TOGETHER CO-OPERATIVELY, AS WELL AS TO BARGAIN COLLECTIVELY WHERE RELEVANT" AND WOULD PROVIDE "A BASE FROM WHICH TO ELECT 'TOP' BOARD REPRESENTATIVES." THEY SUGGEST, THAT IF THERE IS TO BE WORKER REPRESENTATION ON BOARDS, THERE SHOULD BE A TWO-TIER SYSTEM INCLUD-

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 01538 03 OF 04 271944Z

ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 DODE-00 PM-04 H-01 L-03 PA-01 PRS-01

IGA-02 EURE-00 SAJ-01 /114 W

-----271951Z 072604 /41

P R 271912Z JAN 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9995

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USNMR SHAPE

LIMITED OFFICIAL USE SECTION 03 OF 04 LONDON 01538

ING A TOP BOARD AND A SUPERVISORY BOARD; ON THE LATTER,  
ONE-THIRD OF THE MEMBERS SHOULD BE WORKER REPRESENTA-  
TIVES, ONE-THIRD STOCKHOLDER CHOSEN AND ONE-THIRD  
INDEPENDENT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01538 03 OF 04 271944Z

7. CBI OPPOSITION TO THE BILL: THE CBI HAS TAKEN A VERY  
STRONG STAND AGAINST ANY FORM OF COMPULSORY WORKER  
PARTICIPATION ON THE BOARDS AND ARE SEEKING AN EARLY

MEETING WITH THE PRIME MINISTER TO DISCUSS THE BULLOCK PROPOSALS. LORD WATKINSON, THE CHAIRMAN OF THE CBI, AND JOHN METHVEN' THE DIRECTOR GENERAL, HAVE PUBLICLY THREATENED WITHDRAWAL OF CBI COOPERATION IN ONGOING TRI-PARTITE INDUSTRIAL STRATEGY DISCUSSIONS (SUCH AS IN THE NATIONAL ECONOMIC DEVELOPMENT COUNCIL FRAMEWORK) IF THE GOVERNMENT FOLLOWS WITH LEGISLATIVE PROPOSALS IMPLEMENTING THE MAIN THRUST OF THE BULLOCK PROPOSALS. SOME CBI OFFICIALS HAVE TAKEN ENCOURAGEMENT FROM THE CAUTIOUS APPROACH IN THE PRESENTATION YESTERDAY OF THE BULLOCK REPORT BY THE TRADE SECRETARY, MR. DELL, AND IN PARTICULAR FROM HIS STATEMENT ABOUT SEEKING CONSENT FROM ALL PARTIES. THE CBI VIEW REFLECTS THE WIDESPREAD ANTAGONISM AMONG MOST BRITISH EMPLOYERS TO A COMPULSORY WORKERS-ON-THE-BOARD SYSTEM. THE CBI ALTERNATIVE, WHILE FAVORING WORKERS' PARTICIPATION, STATES THAT THIS SHOULD BE A MUTUALLY AGREED DEVELOPMENT WHICH "WOULD ALLOW EMPLOYERS AND EMPLOYEES TOGETHER TO DEVELOP AND OPERATE STRUCTURES AND INSTITUTIONS ACCEPTABLE TO ALL INVOLVED AND SUITABLE TO EACH PARTICULAR CIRCUMSTANCE" WITH "OPTIONS INCLUDING COMPANY-WIDE COUNCILS, PLANT OR SUBSIDIARY COUNCILS; NON-EXECUTIVE DIRECTORSHIPS WITH SPECIFIC ROLES IN THE FIELD OF EMPLOYEE RELATIONS; TRUSTEE ADVISORY BOARDS; AND DIRECT EMPLOYEE REPRESENTATION AT BOARD LEVEL." THE CBI ALSO STRESSES THAT REGARDLESS OF THE MERITS (OR, AS IT SEES THEM, DEMERITS) OF THE BULLOCK PROPOSALS, THE PRESENT PERIOD OF HOPED-FOR INDUSTRIAL RECOVERY IS NOT THE TIME TO PROPOSE -- MUCH LESS UNDERTAKE -- MASSIVE INSTITUTIONAL CHANGES; AT THE LEAST THE EFFECT WILL BE TO DISTRACT ENERGIES FROM THE CENTRAL TASK OF RECOVERY. THE CBI APPEARS DETERMINED TO FIGHT ITS CASE IN A BROAD PUBLIC CAMPAIGN, IN CONCERT WITH MOST CONSERVATIVES WHO SHARE ITS GENERAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 01538 03 OF 04 271944Z

VIEW, AND IN DIRECT DISCUSSIONS WITH LEADERS OF THE GOVERNMENT.

8. THE TUC: LEN MURRAY' GENERAL SECRETARY OF THE TUC, WELCOMED THE REPORT' AS WELL HE SHOULD. ITS FRAME OF REFERENCE IS LARGELY A TUC FRAME OF REFERENCE. WHILE THE TUC DID NOT ATTAIN ITS GOAL OF 50 PERCENT WORKERS ON THE BOARD, MURRAY IS CLEARLY QUITE CONTENT WITH ACHIEVING THE PARITY WITH STOCKHOLDERS PROPOSED BY THE BULLOCK MAJORITY. DESPITE THE FACT THAT DAVID LEA AND OTHER TUC OFFICIALS ARGUE THAT THE IDEA OF WORKERS' PARTICIPATION HAS BEEN ACCEPTED FOR MANY YEARS BY THE ORGANIZATION, IT DID NOT BECOME AN IMPORTANT TUC GOAL UNTIL THE L973 TUC CONGRESS IN BRIGHTON, WHERE A SIGNIFICANT MINORITY OF ITS UNIONS WAS EITHER OPPOSED OR

VERY RELUCTANT TO ACCEPT THE WORKERS-ON-THE-BOARD  
CONCEPT. EVEN TODAY, TRADE UNION LEADERS /IKE HUGH  
SCANLON, LEADER OF THE ENGINEERS UNION, AND FRANK  
CHAPPLE OF THE ELECTRICIANS SAY, IN EFFECT: "IT'S UP  
TO MANAGEMENT TO MANAGE AND WORKERS TO GET WHAT THEY  
NEED THROUGH COLLECTIVE BARGAINING." DAVID BASNETT,  
HEAD OF THE GENERAL AND MUNICIPAL WORKERS, HAS ALSO

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 01538 04 OF 04 271941Z

ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 EURE-00 SP-02 USIA-06  
AID-05 EB-08 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04  
OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 DODE-00 PM-04 H-01 L-03  
PA-01 PRS-01 IGA-02 SAJ-01 /114 W  
-----271952Z 072562 /41

P R 271912Z JAN 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9996

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USNMR SHAPE

LIMITED OFFICIAL USE SECTION 04 OF 04 LONDON 01538

DRAGGED HIS FEET WHILE. PARADOXICALLY. SUGGESTING THAT



THE BULLOCK MAJORITY "DOES NOT GO FAR ENOUGH." JACK JONES, LEN MURRAY AND DAVID LEA, AND TO AN EXTENT CLIVE JENKINS BY HIS WORK IN THE BULLOCK COMMITTEE, HAVE BEEN THE REAL FRONT-LINE COMBAT TEAM WITHIN THE TUC FOR THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01538 04 OF 04 271941Z

SCHEME THAT TO MOST INTENTS AND PURPOSES IS EMBODIED IN THE BULLOCK MAJORITY. THEY HAVE CATAPULTED THE TUC INTO THE STRUGGLE FOR WORKERS' PARTICIPATION AND IT IS LIKELY / THAT INTERNAL TUC OPPOSITION TO IT WILL BECOME SUBMERGED OR MUTED. EVEN DAVID BASNETT'S VIEWS APPEAR TO BE MOVING SLOWLY TOWARD THE TUC MAINLINE POSITION, AND INCREASINGLY, ESPECIALLY IN THE FACE OF THE OVERWHELMING ANTAGONISM OF THE CBI, WORKERS' PARTICIPATION IS BECOMING AN "IDEOLOGICAL" GOAL OF THE TRADE UNION MOVEMENT. IT MAY NOT BE THE MAJOR PLANK OF THE ONGOING SOCIAL CONTRACT. BUT IT IS NOW BEING CONSIDERED BY SEVERAL TUC LEADERS AS ONE OF ITS NEW SUB-CLAUSES.

9. THE GOVERNMENT: WHERE DOES THIS LEAVE THE GOVERNMENT? SOME SUGGEST THAT THE GOVERNMENT IS NOW ON THE HORNS OF A DILEMMA. IF IT ACCEPTS THE BASIC PREMISE OF THE BULLOCK MAJORITY, IT WILL ENRAGE INDUSTRY. IF IT ULTIMATELY CARRIES THROUGH WITH LEGISLATION TO IMPLEMENT THE MAJORITY VIEW, IT COULD FACE THE SAME KIND OF PROBLEM WITH INDUSTRY WHICH THE CONSERVATIVE GOVERNMENT EXPERIENCED WITH THE TUC OVER THE INDUSTRIAL RELATIONS ACT OF 1971: RESISTANCE, RESISTANCE AND MORE RESISTANCE. ON THE OTHER HAND, IF THE TUC DOES TAKE A HARD "IDEOLOGICAL" VIEW ABOUT THE MAJORITY REPORT, THE GOVERNMENT'S FAILURE TO FOLLOW THROUGH WOULD JEOPARDIZE ITS RELATIONS WITH THE TRADE UNION MOVEMENT. NEEDLESS TO SAY, THE GOVERNMENT WILL BE DOING ALL IT CAN TO STEER THE NARROW PATH BETWEEN THE HORNS OF THIS PARTICULAR DILEMMA. (WE SHALL, OF COURSE, FOLLOW THESE DEVELOPMENTS. A COPY OF THE BULLOCK COMMITTEE REPORT, WITH NEWSPAPER COMMENTARY AND FURTHER DETAILED EMBASSY COMMENTS, WILL FOLLOW BY POUCH.)

ARMSTRONG

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PUBLIC DISCLOSURE, REPORTS, ECONOMIC CONDITIONS, POLITICAL SITUATION, LABOR FORCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON01538  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770030-0276  
**Format:** TEL  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770113/aaaaalda.tel  
**Line Count:** 483  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 31c538d0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 9  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON 20059  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 23-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3486912  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BULLOCK REPORT - THE GREAT DEBATE BEGINS  
**TAGS:** ELAB, PINT, UK  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/31c538d0-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009